

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees – Conference Call Meeting

April 9, 2015 – 9:00 a.m.

VSERS Members present:

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2015)
Roger Dumas, Vice-Chairperson, VRSEA Representative (term expiring September 1, 2016) – via telephone
Jeff Briggs, VSEA Representative (term expiring September 1, 2016)
Paul White, Jr., VSEA Alternate Representative (term expiring September 1, 2015) – via telephone
Allen Blake, VRSEA Alternate Representative (term expiring September 1, 2016) – via telephone
Jay Wisner, Governor's Delegate position – via telephone
Elizabeth Pearce, VT State Treasurer

Members absent:

Thomas Hango, VSEA Representative (term expiring September 1, 2016)
Maribeth Spellman, Commissioner of Human Resources (ex-officio)
James Reardon, Commissioner of Finance & Management (ex-officio)

Also attending:

Laurie Lanphear, Director of Retirement Operations
Joshua McCormick, Assistant to Nancy Dimick

The Chairperson, Kevin Gaffney, called the April 9, 2015, conference call meeting to order at 9:03 a.m., which was held in the Large Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the Minutes of:

- **March 12, 2015**

On motion by Mr. Dumas, seconded by Mr. White, the Board voted unanimously by roll call to approve the minutes of March 12, 2015, as submitted.

ITEM 2: VSERS Experience Study

Ms. Pearce is asking the board to approve an experience study with Buck Consolidates for the experience year that is ending 2014. This study would be used to adjust 2015 Actuarial data on funding basis. She stated that the experience study is a little behind schedule but is hoping to get done by May/June. Ms. Pearce then refreshed the board about how the experience study works, including frequency, findings, and cost. The cost of this experience study is \$26,000, which is a flat rate and it was included in the latest budget request. Ms. Pearce stated that all three retirement systems did experience study's in 2010. The treasurer's office wants all three retirement systems to do experience studies this year even thou it is not required until 2015.

Ms. Pearce wants to do this study early to have the interest rate assumption up to date. There are two methods in calculating the interest rate assumption, the Select & Ultimate method and the single rate of return method. Ms. Pearce stated that VPIC and the auditors are not fond of the Select & Ultimate method and prefer that the single rate of return method is used. The board discussed this and agreed with Ms. Pearce.

Ms. Pearce stated there will be an agenda item for next month's meeting – Contract with Buck Consolidated will be ending 6/30/15.

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board voted unanimously by roll call to approve the experience study for the coming year that would be used to develop the 2015 Actuarial data.

ITEM 3: Legislative Update/Disability Update

Ms. Pearce gave an overview of the miscellaneous retirement bill and the current disability retirement yearly review process. The bill was approved by the House. However, there was an amendment added to the bill to include changes in the disability retirement yearly review process. These changes include adding income verification, pension adjustments, and re-employment rights. This miscellaneous retirement bill with the amendment has been approved by the Senate Government Operations, and will send back to the floor, and then back to the house.

ITEM 4: Any other business to be brought before the board

Mr. Gaffney asked if the retirement office is seeing an influx of the baby boomers that are reaching retirement age. Ms. Lanphear stated that she thinks it will be the busiest year. She also stated that the retirement office is seeing more estimates from municipal employees due to turning 65, and from State employees interested in their options due to possible budget cuts.

The board members then discussed the possible budget cuts and how it can affect retirement funding. Ms. Pearce stated that she continues to engage all parties involved on how budget cuts can affect the retirement funding. This then led into a discussion about the 2009 retirement incentive for state employees. Ms. Pearce explained to the board how the process of the incentive worked, the employee qualifications, and the ramifications on retirement funding.

ITEM 5: Adjournment

On motion by Mr. Dumas, seconded by Mr. Briggs, the Board unanimously voted by roll call to adjourn at 9:52 a.m.

Next Meeting Date:

The next scheduled VSERS meeting is a In-House meeting, Thursday, May 14, 2015 at 9:00 a.m.

Vermont State Employees' Retirement System
Conference Call Meeting of the Board of Trustees
April 9, 2015

Page **3** of **3**

Respectfully submitted,

Nancy Dimick
Secretary to the Board